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The Possible Role of a Progressive Economic Blockade
Against Cuba

1. The Cuban economy is in progressive decline, stemming from an inability to maintain its level of exports; the inadequate substitution of bloc credits and trade for this export decline; gross mismanagement of both agriculture and industry (except petroleum and nickel refining); and a deterioration of industrial plant due to the problem of replacing Free World spare parts. The situation has been exacerbated by mobilization; to a degree, it will be worsened by the limited blockade which now operates, since the vessels which have turned back almost certainly contain economic as well as military materials; and (quite substantially) because of other blockade-induced disturbances to normal trade.

2. The Cuban economy is extraordinarily dependent on foreign trade. Cuban imports constituted about 36% of GNP pre-Castro; 31% now. Cuba's dependence on major categories of specific imports follows:

| | |
|--------------------------------|--|
| 100% (or virtually 100%) | POL Transportation equipment Wheat & flour Lard Finished metals (iron, steel, copper) |
| More than 50% | Raw materials for textiles Drugs and medicines Machinery & other manufactures Raw materials for fertilizers Rice Industrial chemicals |
| 25-50% | Canned & packaged foods Beans |
| virtually 0 | Tropical foodstuffs Rayon & rayon cord |

3. Cuba's

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3. Cuba's greatest vulnerability to blockade is POL, on which the operation of its industry, its military establishment, and its civil services depend. Stocks now are estimated at 120 days for heavy fuels, 60 days for light fuels. A POL blockade would, in effect, bring the economy to a halt and radically limit military capabilities. A cutoff would immediately force rationing measures, which, if stringent, might stretch the existing stock out to six months but with grave consequences for the economy and for public morale. Moreover, the regime and the populace would be faced with the prospect of total economic collapse at the end of six months. A signal of US determination to proceed with a POL blockade would be immediately understood in both Havana and Moscow as a decisive act which, however, would grant them time to reconsider their present policy as well as to consider countermeasures.

4. Politically and psychologically a POL (or more general) blockade, if maintained against countermeasures, would set in motion (or reinforce) a growing feeling of isolation in Cuba, dramatizing the Soviet unwillingness or inability to aid Cuba in a major crisis. It could lead to major changes in the policy of the Cuban Government, to widespread unrest (both elite and popular), or to both.

5. For Moscow a progressive blockade would signal: (a) our seriousness of intent; (b) specifically, our unwillingness to bargain for the withdrawal of their missile installations against any Free World asset except the blockade itself; (c) our willingness to afford time for a face-saving resolution of the missile problem.

6. For the US and the Free World a progressive blockade would signal: (a) our seriousness of intent, despite external pressures for a quick, ambiguous negotiation; (b) our determination not to ease pressure until the Cuban missile issue is definitively settled; (c) that time - but not much time - existed in which to find a diplomatic resolution of the problem; and (d) that, in accordance with the President's address, further measures were

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in prospect if Havana and Moscow did not find a way to remove the offensive installations.

7. Thus, a persuasive signal of movement towards a progressive economic blockade could play a role with respect to either the Dillon or the Thompson track; that is, it could constitute a build-up of pressure leading, if it were judged necessary, to a direct removal of the missile threat to Cuba; or it could constitute a persuasive background to a discreet approach to Castro to disassociate himself from the Soviets or to the emergence of the Brazilian formula for an atom-free Latin America, as the way out.

8. With respect to Moscow, two critical problems of communication are involved: the problem of signaling well in advance changes in our blockade list to afford ample time for instructions to turn around; the problem of signaling lucidly both the imperatives of our position and its limits. The launching of a progressive economic blockade should be read in Moscow not as a commitment to throttle the Cuban Government, but as evidence of our willingness to permit them time for a graceful exit. On the other hand, it is essential to impart a sense of our determination to see the end of the missile threat in Cuba promptly, by one means or another, and without bargaining against other Free World interests. This latter problem of communication might well justify reliable discreet contact with Soviet officials at the time this track was launched.

9. With respect to the Free World we will, evidently, confront serious resistance, notably if a progressive economic blockade is read as an effort to throttle Cuba. A blockade limited to POL, leaving food and medicine to go through, would ease this problem to some extent, although it would require a particular and carefully designed rationale to relate our acts to the offensive missile threat. The most important counterweight to the strains within the Free World this initiative might impose would be the appearance, at least, of active diplomatic contact and negotiation while the POL blockade tightened.

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